BETIEW OF THE WAR WITH SPAIN, ITS CAUSES AND RESULTS.

Military Occupation of Cuba Will Be Continued Until Order Is Restored and a Stable Government Established-Increase of the Army and Navy Earnestly Recommended-Construction of the Niearagus Canal a National Necessity-Congress Must Determine How to Govern Our New Possessions-In the Meantime Milltary Governments Will Be Continued-Friendly Relations with All Nations-The National Credit More Firmly Established - Becommends That All National Notes Bedeemed in Gold Shall Not Be Paid Out Again Except for Gold.

WASHINGTON, Dec. 5 .- The following is the text of President McKinley's second annual message. It is a document of unusual length, and was read to the two houses of Congress to-day immediately after they assembled for the third and closing session of the Fifty-fifth Congress: To the Senate and House of Representatives:

Notwithstanding the added burdens rendered necessary by the war, our people rejoice in a very satisfactory and steadily increasing degree of prosperity, evidenced by the largest volume of business ever recorded. Manufacture has been productive, agricultural pursuits have yielded abundant returns, labor in all fields of industry is better rewarded, revenue legislation passed by the present Congress has increased the Treasury's receipts to the amount estimated by its authors, the finances of the Government have been successfully administered and its credit advanced to the first rank, while its currency has been maintained at the world's highest standard. Milltary service under a common flag and for a righteous cause has strengthened the national spirit and served to cement more closely than ever the fraternal bonds between every section of the country. A review of the relation of the United States to other powers, always appropriate, is this year of primary importance, in view of the momentous issues which have arisen, demanding in one instance the ulti-mate determination by arms and involving farreaching consequences which will require the earnest attention of the Congress.

In my last annual message very full consideration was given to the question of the duty of the Government of the United States toward Spain and the Cuban insurrection as being by far the most important problem with which we were then called upon to deal. The considerations then advanced, and the exposition of the views therein expressed, disclosed my sense of the extreme gravity of the situation. Setting aside, as logically unfounded or practically inadmissible, the recognition of the Cuban insurgents as belligerents, the recognition of the independence of Cuba, neutral intervention to end the war by imposing a rational compromise between the contestants, intervention in favor of one or the other party, and forcible annexation of the island, I concluded it was honestly due to our friendly relations with Spain that she should be given a reasonable chance to realize her expectations of reform, to which she had become irrevocably committed. Within a few weeks previously she had announced compreheasive plans, which it was confidently asserted would be efficacious to remedy the evils so deeply affecting our own country, so injurious to the true interests of the mother country as well as to those of Cuba, and so repugnant to the universal sentiment of humanity.

The ensuing month brought little sign of real progress toward the pacification of Cuba. The autonomous administrations set up in the capital and some of the principal cities appeared not to gain the favor of the inhabitants por to be able to extend their influence to the large extent of territory held by the insurgents, white the military arm, obviously unable to cope with the still active rebellion, continued many of the most objectionable and offensive policies of the Government that had preceded it. No tangible relief was afforded the vast numbers of unhappy reconcentrados, despite the reiterated professions made in that regard and the amount appropriated by Spain to that end. The proffered expedient of zones of cultivation proved illusory; indeed, no less practical nor more delusive promises of succor could well have been tendered to the exhausted and destitute people, stripped of all that made life and among unsympathetic strangers hardly less necessitous than themselves.

By the end of December the mortality among em had frightfully increased. Conservative estimates from Spanish sources placed the 40 per cent from the time Gen Weyler's deeree of reconcentration was enforced. the acquiescence of the Spanish authorities, a scheme was adopted for relief by charitable contributions raised in this country and distributed, under the direction of the Consul-General and the several Consuls, by noble and earnest individual effort through the organized agencies of the American Red Cross. Thousands of lives were thus saved, but many thousands more were inaccessible to such

The war continued on the old footing without comprehensive plan, developing only the same spasmodic encounters, barren of strategic result, that had marked the course of the earlier ten years' rebellion as well as the present insurrection from its start. No alternative save physical exhaustion of either combatant and therewithal the practical ruin of the island lay in sight, but how far distant no one could venture to conjecture.

DESTRUCTION OF THE MAINE. At this juncture, on the 15th of February last, occurred the destruction of the bat-tleship Maine while rightfully lying in the harbor of Havana on a mission of international courtesy and good will-a catastrophe, the suspicious nature and horror of which stirred the nation's heart profoundly. It is a striking evidence of the polse and sturdy good sense distinguishing our national character that this shocking blow, falling upon a generous people. stready deeply touched by preceding events in Cubs, did not move them to an instant, desperate resolve to tolerate no longer the existence of a condition of danger and disorder at our doors that made possible such a deed, by whomseever wrought. Yet the instinct of justice prevailed, and the nation anxiously awaited the result of the searching investigation at once set on foot. The finding of the Naval Board of Inquiry established that the origin of the explosion was external by a submarine

locard of Inquiry established that the origin of the explosion was external by a submarina mine, and only halted, through lack of positive testimony, to fix the responsibility of its authorship.

PREVARATIONS FOR WAR.

All these things carried conviction to the most thoughtful, even before the finding of the most endingency of actual war between savering States. On April 22 I proclaimed was the executive powers authorized by the strong arm of the United States and initiated that complete form any between the most thoughtful, even before the finding of the most centification with frain and toward Cuba was at hand. So strong was this belief that it needed but a brief executive suggestion to the Congress to receive immediate answer to the duty of making instant provision for the possible and perhans speed-liky probable emergency of war, and the remarkable, almost unique, speciacle was presented of a unanimous vote of both houses, on the eth of March, appropriating \$50,000,000 for the maintainty of the most of the provision of the President. That this set of archidon came none to soon was disclosed when the application of the Fresident. That this set of archidon came none to soon was disclosed when the application of the Fresident. That this set of archidon came none to soon was disclosed when the application of the resident. That this set of archidon came none to soon was disclosed when the application of the resident. That this set of archidon came none to soon was disclosed when the application of the resident. That this set of archidon came none to soon was disclosed when the application of the resident. That this set of archidon came none to soon was disclosed when the application of the resident with the provised provised provised provised provised provised provised provise

THE PRESIDENT'S MESSAGE, Navy, and need not be repeated here, It is nufficient to say that the outbreak of war, when it did come, found our nation not unprepared to meet the conflict. Nor was the apprehension of coming strife confined to our own country. It was felt by the continental powers, which, on April 6, through their ambassadors and envoys, addressed to the Executive an expression of hope that humanity and moderation might mark the course of this Govern-ment and people, and that further negotiations would lead to an agreement which, while se curing the maintenance of peace, would afford all necessary guarantees for the reestablish-ment of order in Cubs. In responding to that representation I said I shared the hope the Envoya had expressed that peace might be preserved in a manner to terminate the chronic condition of disturbance in Cuba, so injurious and menacing to our interests and tranquility, as well as shocking to our sentiments of humanity, and while appreciating the humani-tarian and disinterested character of the communication they had made on behalf of the powers, I stated the confidence of this Government for its part, that equal appreciation would be shown for its own carnest and unselfish endeavors to fulfil a duty to humanity by ending a situation the indefinite prolongation of which had become insufferable.

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EFFORTS TO MAINTAIN PEACE.

Still, animated by the hope of a peaceful solution and obeying the dictates of duty, no effort was relaxed to bring about a speedy ending of the Cuban struggle. Negotiations to this object continued actively with the Government of Spala, looking to the immediate conclusion of a six months' armistice in Cuba, with a view to effect the recognition of her people's right to independence. Besides this, the instant revocation of the order of reconcentration was asked so that the sufferers, returning to their homes and olded by united American and Spanish effort, might be put in a way to support themselves, and to orderly resumption of the well-nigh destroyed productive energies of the island, contribute to the restoration of listranguillity and well-being. Negotiations continued for some little time at Madrid, resulting in offers by the Spanish Government which could not but be rexarded as inadequate. It was proposed to confide the preparation of peace to the insular Pariament, yet to be convened under the autocomous decrees of November, 1897, but without impairment in any wise of the constitutional powers of the Madrid Government, which to that end would grant an armistice, if solicited by the insurgents, for such time as the General-in-Chief might see fit to fix. How and with what scope of discretionary powers the insular Parliament was expected to set about the "preparation" of peace did not appear. If it were to be by negotiation with the insurgents the issue secund to rest on the one side with a body chosen by a fraction of the electors in the districts under Spanish control and on the other with the insurgent population holding the interior country, unrepresented in the so-called Parliament and definit at the suggestion of suing for peace.

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war question submitted to congress.

Grieved and disappointed at this barren outcome of my sincere endoavors to reach a practicable solution. I felt it my duty to remit the whole question to the Congress. In the message of April 11, 1848, I announced that with this last overture in the direction of immediate peace in Cuba, and its disappointing recention by Spain, the effort of the Executive was brought to an end. I again reviewed the alternative courses of action which had been proposed, concluding that the only one consonant with international policy and compatible with our firm-set historical traditions was intervention as a neutral to stop the war and check the hopeless sacrifice of life, even though that resort involved "hostile constraint upon both the parties to the contest, as well to enforce a truce as to guide the eventual settlement." The grounds justifying that step were the interests of humanity, the duty to protect the life and property of our citizens in Cuba, the right to check injury to our commerce and people through the devastation of the island, and, most important, the need of removing at once and forever the constant menace and the burdens entalled upon our Government by the uncertainties and perils of the situation caused by the unendurable disturbance in Cuba. I said:

"The long trial has proved that the object for which Spain has waged the war cannot be attained. The fire of insurrection may flame or may smolder with varying seasons, but it has not been, and it is plain that it cannot be, extinguished by present methods. The only hone of reliet and repose from a condition which can no longer be endured is the enforced pacification of Cuba. In the name of humanity, in the name of civilization, in behalf of endangered American interests, which give us the right and the duty to speak and to act, the war in Cuba must stop."

In view of all this the Congress was asked to authorize and empower the President to take measures to secure in the island, the establishment of the security of its cit WAR QUESTION SUBMITTED TO CONGRESS.
Grieved and disappointed at this barren out-

authority to continue generous relief to the starving people of Coba.

CONGERSA ACTS PROMPTLY.

The response of the Congress, after nine days of earnest deliberation, during which the almost unanimous sentiment of your body was developed on every point save as to the expediency of coupling the proposed action with a formal recognition of the republic of Coba as the true and lawful Government of that island—a proposition which failed of adoption—the Congress, after conference, on the 19th of April, by a vote of 42 to 35 in the Senate and 311 to 6 in the House of Representatives, rassed the memorable joint resolution declaring:

"First—That the people of the island of Cuba are, and of right ought to be, free and independent.

"Second—That it is the duty of the United States to demand, and the Government of the United States does hereby demand, that the Government of Spain at once relinquish its authority and government in the Island of Cuba, and withdraw its land and naval forces from Cuba and Cuban waters.

"Third—That the President of the United States be, and he hereby is, directed and empowered to use the entire land and naval forces of the United States, and to call into the actual service of the United States the militia of the several States, to such extent as may be necessary to carry these resolutions into effect.

"Fourth—That the United States hereby disclaims any disposition or intention to exercise sovereignts, jurisdiction or control over said

service of the United States the milita of the several States, to such extent as may be necessary to carry these resolutions into effect.

"Fourth—That the United States hereby disclaims any disposition or intention to exercise sovereignty, jurisdiction or control over said island, except for the pacification thereof, and asserts its determination when that is accomplished to leave the government and control of the island to its people."

SPAIN DECLARES WAR.

This resolution was approved by the Executive on the next day, April 20. A copy was at this capital, who forthwith announced that his continuance in Washington had thereby become impossible, and asked for his passports, which were given him. He thereupon withdrew from Washington, leaving the protection of Spanish interests in the United States to the French Ambassador and the Austro-Hungarian Minister. Simultaneously with its communication to the Spanish Minister at Madrid, was telegraphed conformation of the text of the joint resolution and directed to communicate it to the Government of Spain, with the formal demand that it at once relinquish its authority and Government in the Island of Cuba and withdraw its forces therefrom, coupling this demand with the announcement of the intentions of this Government as to the future of the island, in conformity with the formal demand that it oreply.

That demand, although, as above shown, officially made known to the Spanish Envoy here, was not delivered at Madrid, After the instruction reached Gen. Woodford on the morning of April 21, but before he could present it. the Spanish Minister of State notified him that, upon the Prosident's approval of the instruction reached Gen. Woodford on the morning of April 21, but before he could present it. the Spanish Minister of State notified him that, upon the Prosident's approval of the instruction reached Gen. Woodford on the morning of April 21, but before he could present it. the Spanish Minister of State notified him that, upon the Prosident's approval of the instructio

of search, and the immunity of neutral flags and neutral goods under the enemy's flag. A similar proclamation was made by the span-ish Government. In the conduct of hostilities the rules of the Declaration of Paris, including abstention from resort to privateering, have accordingly been observed by both belligerents, of though neither was a party to that declara-tion.

Our country thus, after an interval of half a century of peace with all nations, found itself engaged in deadly conflict with a foreign enemy. Every nerve was strained to meet the emergency. The response to the initial call for 125,000 volunteers was instant and complete, as was also the result of the second call of May 25 for 75,000 additional volunteers. The ranks of the regular army were increased to the limits provided by the act of April 28, 1898.

The enlisted forme of the navy on the 15th day of August, when it reached its maximum, numbered 24,423 men and apprentices. One hundred and three vessels were added to the mavy by purchase, one was presented to the Government, one leased, and the four vessels of the International Navigation Company, the St. Paul, St. Louis. New York and Paris, were chartered. In addition to these the revenue cutters and lighthouse tenders were turned over to the Navy Department and became temporarily a part of the auxiliary navy. The maximum effective fighting force of the navy during the war, separated into classes, was as follows:

Four battleships of the first class, I battle-ARMY AND NAVY INCREASED.

maximum effective fighting force of the navy during the war, separated into classes, was as follows:

Four battleships of the first class, I battleship of the second class, 2 armored cruisers, 6 coast defence monitors, I armored cruisers, 6 coast defence monitors, I armored ram, 12 protected cruisers, 3 unprotected cruisers, 18 gunboats, I dynamite cruiser, I1 torpedo boats; vessels of the old navy, including monitors, 14. Auxiliary navy; II auxiliary cruisers, 28 converted yachts, 27 converted tugs, 19 converted colliers, 15 revenue cutters, 4 lighthouse tenders, and 19 miscellaneous vessels.

Much alarm was felt along our entire Atlantic seaboard lest some attack might be made by the enemy. Every precaution was taken to prevent possible injury to our great cities lying along the coast. Temporary garrisons were provided, drawn from the State militia; infantry and light batteries were drawn from the volunteer forces. About 12,000 troops were thus employed. The Coast Signal Services was established for observing the approach of an enemy's ships to the coast of the United States, and the Life-Saving and Lighthouse services cooperated, which enabled the Navy Department to have all portions of the Atlantic coast, from Maine to Texas, under observation. The auxiliary navy was created under the nuthority of Congress and was officered and manned by the naval milita of the several States. This organization patrolled the several States. This organization patrolled the coast, and performed the duty of a second line of defence.

Coast Defence Perfected.

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COAST DEFENCE PERFECTED.

Under the direction of the Chief of Engineers submarine mines were placed at the most exposed points. Before the outbreak of the war permanent mining casemates and cable galleries had been constructed at nearly all important harbors. Most of the torpedo material was not to be found in the market, and had to be specially manufactured. Under date of April 10 district officers were directed to take all preliminary measures, short of the actual attaching of the loaded mines to the cables, and on April 22 telegraphic orders were issued to blace the loaded mines in position. The aggregate number of mines placed was 1,535, at the principal harbors from Maine to Callfornia. Preparations were also made for the planting of mines at certain other harbors, but owing to the early destruction of the Spanish fiest these mines were not placed.

The Signal Corps was promptly organized, and performed service of the most difficult and important character. Its operations during the war covered the electrical connection of all coast fortifications, the establishment of telephonic and telegraphic facilities for the camps at Manila, Santiago, and in Porto Riso. There were constructed 300 miles of line at ten great camps, thus facilitating military movements from those points in a manner herotore unknown in military administration. Field telegraph lines were established and malistained under the eremy's fire at Manila, and later the Manila-Hong Kong cable was reopened. In Porto Rico cable communications were opened over a discontinued route, and on land the headquarters of the commanding officer were kept in telegraphic or telephonic communication with the division communication with the division commanders on lour different lines of operations.

There was placed in Cuban waters a completely outfitted cable ship, with war cables and cable gear, suitable bot

THE \$50,000,000 DEFENCE FUND.

The national defence fund of \$50,000,000 was expended in large part by the army and navy, and the objects for which it was used are fully shown in the reports of the several Secretaries. It was a most timely appropriation, enabling the Government to strengthen its defences and make preparations greatly needed in case of war. This fund being inadequate to the requirements of equipment and for the conduct of the war, the patriotism of the Congress provided the means in the War Revenue act of June 13, by authorizing a 3 per cent. popular loan, not to exceed \$400,000,000, and by levying additional imposts and taxes. Of the authorized loan, \$200,000,000 were offered and promptly taken, the subscription so far exceeding the call as to cover it many times over; while, preference being given to the smaller bids, no single allotment exceeded \$5,000. This was a most encouraging and significant result, showing the vast resources of the nation and the determination of the people to uphold their country's honor.

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It is not within the province of this message to narrite the history of the extraordinary war that followed the Spanish declaration of April 21, but a brief recital of its more salient features is appropriate.

The first encounter of the war, in point of date, took place April 27, when a detachment of the blockading squadron made a reconnoissance in force at Matanzas, shelled the harbor fort, and demolished several new works in construction.

DEWEY'S VICTORY AT MANILA.

The next engagement was destined to mark a memorable epoch in maritime warfare. The Pacific fleet, under Commodore George Dewey, had lain for some weeks at Hong Kong. Upon the colonial proclamation of neutrality being issued and the customary twenty-four hours notice being given, it repaired to Mirs Bay, near Hong Kong, whence it proceeded to the Philippine Islands under telegraphed orders to capture or destroy the formidable Spanish fleet then assembled at Manila. At daybreak on the 1st of May the American force entered Manila Bay, and after a few hours' engagement effected the total destruction of the Spanish fleet, consisting of ten warships and a transport, besides capturing the naval station and forts at Cavité, thus annihilating the Spanish naval power in the Pacific Ocean and completely controlling the bay of Manila, with the ability to take the city at will. Not a life was lost on our ships, the wounded only numbering seven, while not a vessel was materially injured. For this gallant achievement the Congress, upon my recommendation, filly bestowed upon the actors preferment and substantial reward.

The effect of this remarkable victory upon the spirit of our people and upon the fortunes of the war was instant. A prestige of invincibility thereby attached to our arms, which continued throughout the struggle. Reinforcements were hurried to Manila, under the command of Major-Gen. Merritt, and firmly established within sight of the capital, which lay helpless before our guns.

ments were burried to Manila, under the command of Major-Gen. Merritt, and firmly established within sight of the capital, which lay helpless before our guns.

On the 7th day of May the Government was advised officially of the victory at Manila, and at once inquired of the commander of our fleet what troops would be required. The information was received on the 15th day of May, and the first army expedition sailed May 25, and arrived off Manila June 30. Other expeditions soon followed, the total force consisting of 641 officers and 15,058 enlisted men. Only refuctance to cause neediess loss of life and property prevented the early storming and capture of the city, and therewith the absolute military occupancy of the whole group. The insurgents meanwhile had resumed the active hostilities suspended by the uncompleted truce of December, 1857. Their forces invested Manila from the northern and eastern sides, but were constrained by Admiral Dewey and Gen. Merritt from attempting an assault. It was fitting that whatever was to be done in the way of decisive operations in that quarter should be accomplished by the strong arm of the United States alone. Obeying the stern precept of war which enjoins the overcoming of the adversary and the extinction of his power wherever assatiable as the speedy and sure means to win a peace, divided victory was not permissible, for no partition of the rights and responsibilities attending the enforcement of a just and advantageous peace could be thought of.

NAVAL OPERATIONS IN THE WEST INDIES.

systematic naval and military attack upon the Antillean possessions of Spain.

Several demonstrations occurred on the coasts of Cuba and Porto Bico in praparation for the larger event. On May 13 the North Atlantic squadron shelled San Juan de Porto Bico. On May 30 Commodore Schley's squadron bombarded the forts guarding the mouth of Santiago harbor. Neither attack had any material result. It was evident that well-ordered land operations were indispensable to achieve a decisive advantage. The next act in the war thrilled not alone the hearts of our ecountrymen but the world by its exceptional heroism. On the night of June 3 Lieut. Hobson, aided by seven devoted volunters, blocked the narrow outlet from Santiago harbor by sinking the collier Meerimae in the channel, under a flere fire from the shore batteries, escaping with their lives as by a mirateries, escaping with their lives as by a mirateries, escaping into the hands of the Spaniards. It is a most gratifying incident of the war that the bravery of this little band of heroes was cordially appreciated by the Spanish Admiral, who sent a fleg of true to notify Admiral Sampson of their safety and to compliment them on their daring set. They were subsequently exchanged July 7.

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BATTLES NEAR SANTIAGO.

By June 7 the cutting of the last Cuban cable isolated the island. Thorsafter the invasion was vigorously prosecuted. On June 10, under a heavy protecting fire, a landing of 900 marines from the Oregron, Marblehead and Yankses was effected in Guantanamo Bay, where it had been determined to establish a naval station. This important and essential port was taken from the enemy after severe lighting by the marines, who were the first organized force of the United States to land in Cuba. The position so won was held despite desperate attempts to dislodge our forces. By June 18 additional forces were landed and strongly intrenched.

On June 22 the advance of the invading

tempts to dislodge our forces. By June 18 additional forces were landed and strengly intrenched.

On June 22 the advance of the invading army under Major-Gen. Shafter landed at Daiquiri, about fifteen miles east of Santiago. This was accomplished under great difficulties but with marveilous despatch. On June 23 the movement against Santiago was begun. On the 24th the first serious engagement took place, in which the First and Tenth Cavairy, and the First United States Volunteer Cavairy. Gen. Young's brigade of Gen. Wheeler's division, participated, losing heavily. By nightfall, however, ground within five miles of Santiago was won. The advantage was steadily increased. On July 1 a severe battle took place, our forces gaining the outworks of Santiago. On the 2d El Cancy and San Juan were taken after a desperate charge, and the investment of the city was completed. The navy cooperated by shelling the town and the coast forts.

DESTRUCTION OF CERVERS'S SQUADRON.
On the day following this brilliant schleventers.

by shelling the town and the coast forts.

DESTRUCTION OF CERVERA'S SQUADRON.

On the day following this brilliant achievement of our land forces, the 3d of July, occurred the decisive naval combat of the war. The Spanish fleet, attempting to leave the harbor, was met by the American squadron under command of Commedore Sampson. In less than three hours all the Spanish ships were destroyed, the two torpedo bouts being sunk, and the Maria Teresa, Almirante Oquendo, Vizcaya and Cristobal Colon driven ashore. The Spanish Admiral and over 1,300 men were taken prisoners, while the enemy's loss of life was deplorably large, some 600 perishing. On our side but one man was killed on the Brooklyn, and one man seriously wounded. Although our ships were repeatedly struck, not one was seriously injured. Where all so conspicuously distinguished themselves, from the commanders to the gunners and the unnamed heroes in the boiler rooms, each and all contributing toward the achievement of this astounding victory, for which neither ancient nor modern history affords a parallel in the completeness of the event and the marvellous disproportion of casualties, it would be invidious to single out any for especial honor. Deserved promotion has rewarded the more conspicuous actors—the nation's profoundest graftude is due to all of these brave men who, by their skill and devotion, in a few short hours crushed the sea power of Spain and wrought a triumph whose decisiveness and far-reaching consequences can searcely be measured. Nor can we be unmindful of the achievements of our builders, mechanies and artisans for their skill in the construction of our warships.

Santiago Capitulales.

With the catastrophe of Santiago Spain's

mechanies and artisans for their skill in the construction of our warships.

With the catastrophe of Santiago Spain's effort upon the ocean virtually ceased. A spasmodic effort toward the end of June to send her Mediterranean fleet under Admiral Camara to relieve Manila was abandoned, the expedition being recalled after it had passed through the Suez Canal.

The capitulation of Santiago followed. The city was closely besieged by land, while the entrance of our ships into the harbor cut off all relief on that side. After a truce to allow of the removal of non-combatants, protracted negotiations continued from July 3 until July 15, when, under menace of immediate assault, the preliminaries of surrender were agreed upon. On the 17th Gen. Shafter occupied the city. The capitulation embraced the entire castern end of Cuba. The number of Spanish soldiers surrendering was 22,000, all of whom were subsequently conveyed to Spain at the charge of the United States.

The story of this successful campaign is told in the report of the Secretary of War, which will be laid before you. The individual valor of officers and soldiers was never more strikingly shown than in the several engagements leading to the surrender of Santiago, while the prompt movements and successive victories who gained this complete triumph which established the ascendency of the United States upon land, as the fight off Santiago had fixed our supremacy on the seas, the earnest and lasting gratitude of the nation is unsparingly due. Nor should we alone remember the gallantry of the living. The dead claim our tears, and our losses by battle and disease must cloud any exultation at the result and teach us to weigh the asful ocst of war, however rightful the cause or signal the victors.

Porto Rico became the next strategic necessity. Gen. Miles had previously been assigned to organize an expedition for that purpose. Fortunately he was already at Santiago, where he had arrived on the 11th of July with reinforcements for Gen. Shafter's army. With these troops, consisting of 3.415 infantry and artillery, two companies of engineers and one company of the Signal Corns, Gen. Miles left Guantanamo on July 21, having nine transports, convoyed by the fleet under Capt. Higginson, with the Massachusetts (flagship), Dixle. Gloucester. Columbia and Yale, the two latter carrying troops. The expedition landed at Guanica on July 25, which port was entered with little opposition. Here the fleet was joined by the Annapolis and the Wasp, while the Puritan and the Amphitrite went to San Juan and joined the New Orleans, which was engaged in blockading that port. The Major-General commanding was subsequently reinforced by Gen. Schwan's brigade of the Third Army Corps, by Gen. Wilson with a part of his division, and also by Gen. Brooke with a part of his corps, numbering in all 16,973 officers and men. On July 27 he entered Ponce, one of the most important ports in the island, from which he thereafter directed operations for the capture of the island.

With the exception of encounters with the enemy at Guayama, Hormigueros, Coamo and Yauco, and an attack on a force landed at Cape San Juan, there was no serious resistance. The campaign was prosecuted with great vigor, and by the 12th of August much of the island was in our possession, and the accusistion of the remainder was enly a matter of a short time. At most of the points in the island our troops were enthusiastically welcomed. Protestations of loyalty to the flag and gratitude for delivery from Spanish rule met our commanders at every stage. As a notent influence toward peace the outcome of the Porto Rican expedition was of great consequence, and generous commendation is due to those who participated in it.

expedition was of great consequence, and genticipated in it.

WAR ENDS WITH MANILA'S FALL.

The last scene of the war was enacted at Manila, its starting place. On Aug. 15, after a brief assault upon the works by the land forces, in which the squadron assisted, the capital surrendered unconditionally. The casualties were comparatively few. By this the conquest of the Philippine Islands, virtually accomplished when the Spanish capacity for resistance was destroyed by Admiral Dewey's victory of the lat of May, was formally scaled. To Gen. Merritt, his officers and men, for their uncomplaining and devoted service and for their gallantry in action, the nation is sincerely grateful. Their long voyage was made with singular success, and the solderly conduct of the men, most of whom were without previous experience in the military service, deserves unmeasured praise. The total casualties in killed and wounded in the army during the war with Spain were: Officers killed, 23: enlisted men killed, 257; total 280. Officers wounded, 113: enlisted men wounded, 1,434; total, 1,577. Of the navy Killed, 17; wounded, 67; died as result of wounds, 1; invalided from services, 6; total, 91. It will be observed that while our navy was engaged in two great battles and in numerous perilous undertakings in blockade and bombardment, and more than 50,000 of our troops were transported to distant lands and were engaged in assault and siego and battle and many skirmislies in unfamiliar territory, we lost in both arms of the service a total of 1,008 killed and wounded, and in the entire campaign by land and son we did not lose a gun or a flag or a transport or a ship, and, with the exception of the crew of the Merrimac, not a soldier or asilor was taken prisoner.

On Aug. 7, forty-six days from the date of the landing of Gen. Shafter's army in Caba and twenty-one days from the surrender of Santiago, the United States troops commanced embarkation for home, and our entire force was returned to the United States as a rely as Aug. 24. They were WAR ENDS WITH MANILA'S PALL.

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were indispensable here, are entitled to the highest commendation. It is my regret that there seems to be no provision for their suita-ble recognition.

ble recognition.

PRAINE FOR THE RED CROSS.

In this connection it is a pleasure for me to mention in terms of cardial appreciation the timely and useful work of the American National Red Cross, both in relief measures preparatory to the campaigns, in sanitary assistance at several of the campa of assemblage, and, later, under the able and experienced leadership of the Precident of the society. Miss Clars Button, on the fields of battle and in the hospitals at the front in Cuba. Working in conjunction with the Governmental authorities and under their sanction and approval, and with the enthusiastic co-operation of many pairiotic women and societies in the various States, the Red Cross has fully maintained its already high reputation for intense earnestness and algility to exercise the noble purposes of its interfutional organization, thus justifying the confidence and support which it has received at the hands of the American people. To the members and officers of this society and all who aided them in their philanthropic work, the sincers and lasting gratitude of the soldiers and the public is due and is freely accorded.

In tracing these events we are constantly reminded of our obligations to the Divine Master for His watchful care over us and His safe guidance, for which the nation makes reverent acknowledgment and offers humble prayer for the continuance of His favor.

Frain Sues For Frace.

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FEAIN SUES FOR PEACE.

The annihilation of Admiral Cervera's fleet, followed by the capitulation of Santiago, having brought to the Spanish Government a realizing sense of the hopelessness of continuing a struggle now become wholly unequal, it made overtures of peace through the French Ambassador, who with the assent of his Government had acted as the friendly representative of Spanish interests during the war. On the 26th of July M Cambon presented a communication signed by the Duke of Almodovar, the Spanish interests during the War. On the 26th of July M Cambon presented a communication signed by the Duke of Almodovar, the Spanish Minister of State, inviting the United States to state the terms upon which it would be willing to make peace. On the 30th of July, by a communication addressed to the Duke of Almodovar and handed to M. Cambon, the terms of this Government were announced, substantially as in the protocol afterward signed. On the 10th of August the Spanish reply, dated Aug. 7, was handed by M. Cambon to the Secretary of State. It accepted unconditionally the terms imposed us to Cuba, Porto Bleo, and an island of the Ladrones group, but appeared to seek to introduce inadmissible reservations in regard to our demand as to the Philippine Islands. Conceiving that discussion on this point could neither be practical nor profitable. I directed that, in order to avoid misunderstanding, the matter should be forthwith closed by proposing the embodiment in a formal pretocol of the terms upon which the negotiations for peace were to be undertaken. The vague and inexplicit suggestions of the Spanish note could not be accepted, the only reply being to present as a virtual uitimatum a draft of protocol embodying the precisa terms tendered the negotiations of exception for the vague and hold the eliphance of

as soon as possible by each Government to the commanders of its military and naval forces.

The capitulation embraced the entire castern end of Cuba. The number of Spanish solders surrendering was 22,000, all of whom were subsequently conveyed to Spain at the charke of the United States.

The story of this successful campaign is told in the report of the Secretary of War, which will be laid before you. The individual valor of officers and soldiers, was never more strikingly shown than in the several engagements leading to the surrender of Santiago, while the prompt movements and successive victories who gained this complete triumph which established the ascendency of the United States upon land, as the fight off Santiago had fixed our supremacy on the sens, the carnest and lasting grafitude of the nation is unsparingly due. Nor should we alone remember the gallantry of the living. The dead claim our tears, and our losses by battle and disease must cloud any exultation at the result and teach us to weigh the awful cost of war, however rightful the cause or signal the victory.

With the fall of Santiago the occupation of Porto Rico hecame the next strategic necessity. Gen. Miles had previously been assigned to organize an expedition for that purpose. Fortunately he was already at Santingo, where he had arrived on the 11th of July with reinforcements.

was completed. The United States flag was raised over the Island at noon on that day. The administration of its affairs has been provisionally intrusted to a Military Governor until the Congress shall otherwise provide. The Cuban Joint Commission has not yet terminated its labors. Owing to the difficulties in the way of removing the large numbers of Spanish troops still in Cuba the evacuation cannot be completed before the 1st of January next.

Fursuant to the fifth article of the protocol, I appointed William R. Day, lately Secretary of State: Cushman K. Davis, William P. Frye, and George Gray, Senators of the United States, and Whitelaw Reid to be the Peace Commissioners on the part of the United States. Proceeding in due season to Paris, they there met on the 1st of Otober five Commissioners similarly appointed on the part of Spain. Their negotiations have made hopeful progress, so that I trust soon to be able to lay a definite treaty of peace before the Senate, with a review of the steps leading to its signature.

I do not discuss at this time the government or the future of the new possessions which will come to us as the resuit of the war with Spain. Such discussion will be appropriate after the treaty of peace shall be ratified. In the meantime, and until the Congress has legislated otherwise, it will be my duty to continue the military Governments which have existed otherwise, it will be my duty to continue the military Governments which have existed since our occupation, and give to the people security in life and property and encouragement under a just and beneficent rule.

As soon as we are in possession of Cuba and have pacified the island, it will be necessary to give ald and direction to its people to form a government for themselves. This should be undertaken at the earliest moment consistent with safety and assured success. It is important that our relations with this people shall be of the most friendly character and our commercial relations close and reciprocal. It should be our duty to assist

ment. Until there is complete tranquillity in the island and a stable Government inaugurated, military occupation will be continued.

FRIENDLY ELLATIONS WITH ALL NATIONS,
With the one exception of the rupture with Spain, the intercourse of the United States with the great family of nations has been marked with cordiality, and the close of the eventful year finds most of the issues that necessarily arise in the complex relations of sovereign States adjusted or presenting no serious obstacle to a just and honorable solution by amicable agreement.

A long unsettled dispute as to the extended boundary between the Argentine Republic and Chill, stretching along the Andean crests from the southern border of the Atacama Desert to Mingellan Straits, nearly a third of the length of the South American continent, assumed an acute stage in the early part of the year, and afforded to this Government occasion to express the hope that the resort to arbitration already contemplated by existing conventions between the parties might prevail, despite the grave difficulties arising in its application. I am happy to say that arrangements to this end have been perfected, the questions of facts upon which the ruspective Commissioners were unable to agree being in course of reference to her Britannic Majesty for determination. A residual difference touching the northern boundary line across the Atacama Desert, for which existing treaties provided no adequate adjustment, bids fair to be settled in like manner by a joint commission, upon which the manner by a joint commission to approach the Argentine Government with a view to removing differences of rate charges imposed upon the cables of an American corporation in the transmission between Buenos Ayres and the cities of Uruguny and Brazil of through messages passing from and to the United States Although the matter is complicated by exclusive concessions by Uruguny and Brazil to foreign companies, there is strong hose that a good understanding will be reached, and the important channels

cities of South America may be freed from an almost prohibitory discrimination.

In this relation I may be permitted to express my sense of the fitness of an international agreement whereby the interchange of measages over connecting cables may be regulated on a fair basis of uniformity. The world has seen the postal system developed from a congeries of independent and exclusive services into a well-ordered union, of which all conntries enjoy the manifold benefits.

It would be strangs were the nations not in time brought to realize that modern civilization, which owes so much of its mogress to the annihilation of space by the electric force, demands that this all-important means of communication be a heritage of all peoples, to be administered and requisted in their componishment of the transmission was taken when the international convention of 1834 for the protection of submarine cables was signed, and the day is, I trust, not far distant when this medium for the transmission of thought from land to land may be brought within the domain of international concert as completely as is the material carriage of commerce and correspondence upon the face of the waters that divide them.

The claim of Thomas Jefferson Page against Arxentina, which has been rending many rears, has been adjusted. The sum awarded by the Congress of Argentina was \$4.242.35.

The sympathy of the American ceople has justiy been offered to the ruler and the recople of Austria-Hungary by reason of the affliction that has intely befallen them in the assassination of the Empress-Queen of that historic realm.

that has lately befailen them in the assansanation of the Empress-Queen of that historic realm.

AUSTRIA AND THE LATTIMER STRIEE.

On the 10th of September, 1897, a conflict took place at Lattimer, Pa., between a body of striking miners and the Sheriff of Luserne county and his deputies, in which twenty-two miners were killed and torty-four wounded, of whom ten of the killed and twelve of the wounded were Austrian and Hungarian subjects. This deplorable event naturally aroused the solicitude of the Austro-Hungarian Government, which, on the assumption that the killing and wounding involved the injustifable misuse of authority, claimed reparation for the sufferers. Apart from the searching investigation and peremptory action of the authorities of Pennsylvania, the Federal Executive took appropriate steps to learn the merits of the case, in order to be in a position to meet the urgent complaint of a friendly power. The Sheriff and his deputies, having been indicted for murdier, were tried and acquitted after protracted proceedings and the hearing of hundreds of witnesses, on the ground that the killing was in the line of their official duty to uphold law and preserve public order in the State. A representative of the Department of Justice attended the trial and reported its course fully. With all the facts in its possession, this Government expects to reach a harmonious understanding on the subject with that of Austria-Hungary, notwithstanding the result of the trial, for indemnity for its injured subjects.

Despite the brief time allotted for preparation, the exhibition of a larger proportion of awards, having regard to the number and classes of articles entered, than those of other countries. The worth of such a result in making known our national capacity to supply the world's markets is obvious.

Exhibitions of this international character are becoming more frequent as the exchanges of commercial countries grow more intimation, and a standing appropriation for accepting such invitations and for representation AUSTRIA AND THE LATTIMER STRIKE.

CENTRAL AMERICA.

changes.

CENTRAL AMERICA.

The year's events in Central America deserve more than passing mention. A menacing rupture between Costa Rica and Nicaragia was happily composed by the signature of a convention between the parties, with the concurrence of the Guatemaian representative as a mediator, the act being negotiated and signed on board the United States steamer Alert, then lying in Central American waters, it is believed that the good offices of our Envoy and of the commander of that vessel contributed toward this gratifying outcome.

In my last annual message the situation was presented with respect to the diplomatic representation of this Government in Central America created by the association of Nicaragia, Honduras, and Salvador under the title of the Greater Republic of Central America, and the delegation of their international functions to the Diet thereof. While the representative character of the Diet was recognized by my predecessor and has been confirmed during my administration by receiving its accrediter Envoy and granting executaturs to Consuls commissioned under its authority, that recognition was qualified by the distinct understanding that the responsibility of each of the component sovering in publics toward the United States remained wholly unaffected. This proviso was needful, inasmuch as the compact of the three republics was at the outset an association whereby certain representative functions were delegated to a tripartite commission rather than a federation possessing centralized powers of government and administration. In this view of their relation and of the relation of the

whereby certain representative functions were delegated to a tripartite commission rather than a federation possessing centralized powers of government and administration. In this view of their relation, and of the relation of the View of their relation, and of the relation of the Linited States to the several republies, a change in the representation of this country in Central America was neither recommended by the Executive nor initiated by Congress, thus leaving one of our Envoys accredited as here tofore separately to two States of the greater republic, Nicaragua and Salvador, and to a third State, Costa Riea, which was not a party to the compact, while our other Envoy was similarly accredited to a union State, Honduras, and a non-union State, Guatemala. The result has been that the one has presented eredentials only to the President of Costa Rica, the other having been received only by the Government of Guatemala.

Subsequently the three associated republics entered into negotiations for taking the steps forecast lin the original compact. A convention of their delegates framed for them a federal constitution under the name of the United States of Central America, and provided for a central federal government and legislature, Upon ratification by the constituent States, the last of November last was fixed for the new system to go into operation. Within a few weeks thereafter the plan was severely tested by revolutionary movements arising, with a consequent demand for unity of action on the part of the military power of the federal States to suppress them. Under this strain the new union seems to have been weakened through the withdrawal of its more important members. This Government was not officially advised of the installation of the federation and has maintained an attitude of friendly expectancy, while in no wise relinquishing the position held from the outset that the responsibilities of the several States toward us remained unaltered by their tentative relations among themselves.

themselves.

NICARAGUA CANAL A NECESSITY.

The Nicaragua Canal Commission, under the Che Research of the year has nearly combined its labors, and the results of its exhaustive inquiry into construction of an interoceanic canal by a Nicaraguan route will be inid before you. In the performance of its task the commission reprint the commission of the commission reprint the commission reprint the commission of the importance of giving a speedy and practical outcome to the great project that has considerable to the importance of giving a speedy and practical outcome to the great project that has considerable to the importance of giving a speedy and practical outcome to the great project that has considered as considered a confirmed and incurable dynamics of the canal by the marriage of the attention of the respective countries.

As the scope of the recent inquiry embraced the whole subject, with the aim of making plans and surveys for a canal by the marriage of the whole subject, with the aim of making plans and surveys for a canal by the marriage of the canal continued to the results of previous surveys and plans, and in particular those adopted by the Marriage change of the canal commission as they have held and must needs hold in the discussions of the Canal Commission as they have held and must needs hold in the discussion of the Canal Commission as they have held and must needs hold in the discussion of the Canal Commission as they have held and must needs hold in the discussion of the Canal Commission as they have held and must needs hold in the discussion of the Canal Commission as they have held and must needs hold in the discussion of the Canal Commission of the Canal Commission of the Canal Commission is the constitution of the few parties for a new canal cost like by other parties for a new canal cost like of the compassion, predefined on the agent of the compassion predefined on the agent of the compassion of the co



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now more than ever indispensable to that intimate and ready intercommunication between our eastern and western seaboards demanded by the innexation of the Hawaiian Islands and the prospective expansion of our influence and commerce in the Pacific, and that our national policy now more imperatively than ever calls for its control by this Government, are propositions which. I doubt not, the Congress will duly appreciate and wisely act upon.

A convention providing for the revival of the late United States and Chiian Claims Commission and the consideration of claims which have duly presented to the late commission, but not considered because of the expiration of the time limited for the duration of the commission, was signed May 24, 1897, and has remained unacted upon by the Senate. The term therein fixed for effecting the exchange of ratifications having clapsed, the convention falls unless the time be extended by amendment, which I am endeavoring to bring about with the friendly concurrence of the Chilian Government.

OUR BELATIONS WITH CRINA.

our relations with crina.

The United States has not been an Indifferent spectator of the extraordinary events transpiring in the Chinese Empire, whereby portions of its maritime provinces are passing under the control of various European powers; but the prospect that the vast commerce which the energy of our citizens and the necessity of our staple productions for Chinese uses has built up in those regions may not be prejudiced through any exclusive treatment by the new occupants, has obviated the need of our country becoming an actor in the scene. Our position among nations, having a large Pacific coast, and a constantly expanding direct trade with the farther Orient, gives us the equitable claim to consideration and friendly treatment in this regard, and it will be my aim to subserve our large interests in that quarter by all means appropriate to the constant policy of our Government. The territories of Kiao Chou, of Wei Hai Wei and of Port Arthur and Talienwan, leased to Germany, Great Britain and Russia, respectively, for terms of years, will, it is announced, be open to international commerce during such aliented to exist, or be hereafter developed, the desire of this Government would appear to be realized.

In this relation, as showing the yolume and In this relation, as showing the volume and value of our exchanges with China and the peculiarly favorable conditions which exist for

MUST GO ABROAD

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